

# **Danville-Pittsylvania Regional Industrial Facility Authority**

**City of Danville, Virginia  
County of Pittsylvania, Virginia**

## **AGENDA**

**April 11, 2016**

**12:00 P.M.**

**Danville Regional Airport  
Eastern Conference Room  
424 Airport Drive, Danville, Virginia**

### **County of Pittsylvania Members**

**Jessie L. Barksdale, Chairman  
Robert Warren  
Elton W. Blackstock, Alternate**

### **City of Danville Members**

**Sherman M. Saunders, Vice Chairman  
Fred O. Shanks, III  
J. Lee Vogler, Jr., Alternate**

### **Staff**

**Kenneth Larking, City Manager, Danville  
Clarence C. Monday, Pittsylvania County Administrator  
Clement Wheatley, Legal Counsel to Authority  
Susan M. DeMasi, Authority Secretary  
Michael L. Adkins, Authority Treasurer**

## **Danville-Pittsylvania Regional Industrial Facility Authority**

### **1. MEETING CALLED TO ORDER**

### **2. ROLL CALL**

### **3. PUBLIC COMMENT PERIOD**

Members of the public who desire to comment on a specific agenda item will be heard during this period. The Chairman/Vice Chairman of the Authority may restrict the number of speakers. Each speaker shall be limited to a total of three minutes for comments. *[Please note that the public comment period is not a question-and-answer session between the public and the Authority.]*

### **4. APPROVAL OF MINUTES OF THE MARCH 14, 2016 MEETING**

### **5. NEW BUSINESS**

- A. Consideration of Resolution 2016-04-11-5A, approving a Billboard Lease Agreement to Harkins Outdoor Advertising Corporation, a South Carolina corporation, for the lease of an existing billboard located on Lot 6 containing approximately 6.78 acres in that portion of the Authority's Cane Creek Centre project located in Danville, Virginia, at an initial lease rate of \$1,500.00 per year, with an early termination right by the Authority in the event the Authority actively develops Lot 6. – Telly D. Tucker, Director of Economic Development, City of Danville
- B. Financial Status Report as of March 31, 2016 – Michael L. Adkins, CPA, Authority Treasurer, and Patricia K. Conner, CPA, Assistant Finance Director, City of Danville

### **6. CLOSED SESSION**

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

- A. As permitted by Section § 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;
- B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and
- C. As permitted by Virginia Code §§ 2.2-3711(A)(3) and (29) (i) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and (ii) for discussion of the award of a public contract

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involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

### **RETURN TO OPEN SESSION**

- D. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- E. Motion to Certify Closed Meeting.

### **8. COMMUNICATIONS FROM:**

Jessie L. Barksdale  
Elton Blackstock  
Sherman M. Saunders  
Fred O. Shanks, III  
J. Lee Vogler, Jr.  
Robert Warren

Staff

### **9. ADJOURN**

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 4
<b>Meeting Date:</b>	04/11/2016
<b>Subject:</b>	Meeting Minutes
<b>From:</b>	Susan M. DeMasi, Authority Secretary

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### **SUMMARY**

Attached for the Board's approval are the Meeting Minutes from the Monday, March 14, 2016 meeting.

### **ATTACHMENTS**

Meeting Minutes – 03/14/2016

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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March 14, 2016

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: Pittsylvania County Administrator Clarence Monday, Interim City Manager Ken Larking, Pittsylvania County Economic Development Director Matt Rowe, Assistant County Administrator for Planning & Development Greg Sides, City of Danville Director of Economic Development Telly Tucker, City of Danville Director of Public Works Ric Drazenovich, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Shawn Harden of Dewberry & Davis.

Mr. Barksdale noted that Resolution 2016-03-14-6B under Item 6B had not been posted online; copies were available today.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE FEBRUARY 8, 2016 MEETING**

Upon **Motion** by Mr. Warren and **second** by Mr. Shanks, Minutes of the February 8, 2016 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**OLD BUSINESS**

**5A. CONSIDERATION – RESOLUTION 2016-03-14-5A REVISING THE AMENDED AND RESTATED BYLAWS**

Mr. Barksdale noted this matter had been carried over from the last meeting in compliance with the bylaws.

Mr. Saunders **moved** adoption of *Resolution No. 2016-03-14-5A, revising the Amended and Restated Bylaws of the Authority adopted August 13, 2007, and last revised February 9, 2015, to provide that the director elected to the office of vice chairman of the Authority shall not be from the same member locality as that of the chairman of the Authority.*

The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**5B. CONSIDERATION – RESOLUTION 2015-09-14-6B APPROVING AMENDMENT #10 TO DEWBERRY CONTRACT**

Assistant County Administrator for Planning & Development Greg Sides explained the next step in the development of the Berry Hill Mega Park is to be able to grade the developable pad areas that RIFA proposed in the permit. Amendment #10 to the contract with Dewberry for overall master planning and engineering Berry Hill, was originally brought before the Board last year. The consensus of the Board at that point, before RIFA moves forward with specific engineering, was to get the permit.

Shawn Harding of Dewberry noted a few weeks ago, staff received correspondence from the Corp with regard to the DHR issues that RIFA had; the Corp was in agreeance with what had been presented to them in terms of the responses to their concerns. At this point, staff is waiting for the finalized information to get to DEQ; in correspondence with the Corp this morning, that is forthcoming. RIFA should have final approval within about two weeks; at that point, RIFA will have the permit in hand. In terms of Amendment #10, it is for the preparation of construction plans that would include the grading of the pads for 109 acres plus three additional smaller pads for a total of 133 acres in pad area. It also includes construction administration and quality control testing during construction.

Mr. Shanks noted it was \$178,000 for designing, \$85,000 for administration, and testing an additional \$175,000; Mr. Harden noted that is just an estimate, but it shouldn't go above that. Mr. Shanks questioned the study done by Jones Lang LaSalle, and Mr. Harden noted the three targeted areas were wood and paper product manufacturing, plastic and rubber manufacturing and fabricated metal, but that does not preclude RIFA from anything else they may want to do. Mr. Vogler asked for clarification, and Mr. Harden stated the permit has been approved, but RIFA doesn't physically have it. Mr. Harding noted staff has the DEQ permit which is really what they were going for, but the DEQ permit says that RIFA can't start work until they satisfy the Section 106; RIFA has satisfied Section 106 through DHR, staff is just waiting for the Corp to give RIFA its conditional letter.

Mr. Shanks questioned if RIFA is still using the name mega park, and Mr. Harden noted they are using Berry Hill Commerce Center. Mr. Shanks questioned the goal to have it permitted as part of a larger certification and Mr. Tucker explained at that time 1,000 contiguous acres was the minimum threshold to receive that certification. Because of the wetlands and river basin, RIFA does not have 1,000 contiguous acres, that is what kept RIFA from getting that certification. Mr. Tucker explained they are still marketing towards very large industrial users that would need upwards of hundreds of acres; that includes automobile, aerospace and some of those industries. Mr. Sides noted the certification that RIFA used to hear about was a private company certification; that is no longer the direction RIFA is headed. Mr. Harden noted VEDP just started a new site readiness program that RIFA should be hearing about soon.

Mr. Warren **moved** adoption of *Resolution No. 2015-09-14-6B, approving Amendment #10 to Contract dated February 9, 2009, Engineering Services related to the Mega Park Master Plan, for (i) Phase 1 Pad Grading Construction Plans and Specifications at a lump sum fee of \$178,000; (ii) Construction Administration Services at a lump sum fee of \$85,000; and (iii) Construction Testing and Inspection Services at a budget estimate of \$175,000, at a total project estimate of \$438,000.*

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The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0

AYE: Barksdale, Warren, Saunders, Shanks (4)

NAY: None (0)

**NEW BUSINESS**

**6A. CONSIDERATION – RESOLUTION 2016-03-14-6A – CHANGE IN SERVICE TERRITORY AT BERRY HILL**

Interim City Manager Ken Larking noted this agenda item is asking RIFA for their consent to allow the City of Danville to transfer its electric territory serving the Berry Hill Mega Park from the City of Danville to Appalachian Power. This has been approved by the Utility Commission and by the City Danville. This Resolution is providing the consent from RIFA in order to handle any logistics. Mr. Guanzon explained because it affects RIFA's land and is affecting that specific territory, they are looking for RIFA's consent. Mr. Larking noted the reason for the transfer is that Appalachian Power has more capacity to serve the Mega Park than the City of Danville at this time. Mr. Shanks stated that the City of Danville had originally hoped to provide electricity to the Mega Park, it was not something the City took lightly turning this over to Appalachian Power, but it is in the best interest of the City and RIFA as Appalachian can make the capital expenditures necessary to serve the property with a cheaper electric rate than the City.

Mr. Barksdale questioned if they think there is going to be any adverse impact of any kind with citizens or businesses. Mr. Larking noted this would be new service area, staff did not believe there would be any adverse impact. The amount of infrastructure the City would have had to put in place in order to serve the kind of user that RIFA wants to have at the Mega Park would be highly capital intensive and could have impacted rates for users in the short term. It was felt it would be better to allow Appalachian Power, who could serve them better immediately, to go ahead and do that; they have competitive rates which would be an attraction for anyone they are trying to get to locate in that park.

Mr. Shanks noted he believes there will be right of way required by Appalachian and Mr. Harden noted his understanding is that AEP will serve the industrial park from the Axton substation. They will have to come from that line, follow existing right of way the City of Danville has on the Pinnacles transmission line and then come down Oak Hill Road. Mr. Blackstock noted he believes it makes sense overall because the rates should be lower and Danville will not have to incur the additional capital costs.

Mr. Shanks **moved** adoption of *Resolution 2016-03-14-6A, consenting to a change in the service territory for the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, from the City of Danville, Virginia, to Appalachian Power Company (APCo).*

The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0

AYE: Barksdale, Warren, Saunders, Shanks (4)

NAY: None (0)

**6B. CONSIDERATION – RESOLUTION 2016-03-14-6B – APPROVING REQUEST BY TRANSCONTINENTAL PIPELINE COMPANY LLC**

Director of Economic Development Telly Tucker explained staff was contacted by a member of the Williams Pipeline team that is part of the Transcontinental Pipeline expansion project, requesting an additional easement on RIFA property; the improvements they are doing on the property require additional acreage. Staff had a discussion about future development in the park and RIFA's need to cross their existing easement in the future. Staff negotiated an agreement whereby in exchange for providing them additional acreage and easement to their existing easement, they would allow RIFA to cross their easement in the future. They have come back and generally are agreeable to the concept of an exchange of easement access with RIFA; Mr. Guanzon is working through the language of the easement contract.

Mr. Guanzon noted they approached RIFA to expand their existing easement at Berry Hill and are going to add some small buildings. Instead of making a legal parcel for them to buy from RIFA, they are looking to have a permanent exclusive easement to build those structures. Right now staff is working out the logistics for the language, and are identifying the areas of their easement that RIFA will have to cross over at some point. The resolution before the Board will authorize staff to go ahead and confirm this agreement.

Mr. Shanks noted the resolution mentions one or more, whatever resolution the board will adopt, will it cover the three or four more they will need and Mr. Guanzon noted it will be three. Once staff has the document, they will bring it back to the Board for ratification. Mr. Guanzon noted he believed this was legally sufficient to tell them definitely there is an agreement in concept. Mr. Harden noted Dewberry has already designed the sanitary sewer, there are two crossings on the sanitary sewer line and maybe three crossing on water and/or gas that will be in the same spot. Those locations were sent to Mr. Guanzon and Williams so they know the locations and designs. The property they are asking about is outside any potential development footprint; it is in their existing 150 foot easement, they are just asking for exclusive easement. It is not a detriment to the project.

Mr. Saunders **moved** adoption of *Resolution 2016-03-14-6B, approving a request by Transcontinental Gas Pipe Line Company, LLC, a Delaware limited liability company, for an expansion of an existing utilities easement located in the Authority's Berry Hill Industrial Park project, in exchange for one or more nonexclusive easements to be granted from such company in favor of the Authority for further development by the Authority of such project with other utility lines and facilities.*

The motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**6C. FINANCIAL STATUS REPORT AS OF FEBRUARY 29, 2016**

Authority Treasurer Michael Adkins reviewed the Financial Status report as of February 29, 2016 beginning with the \$7.3M Bonds for Cane Creek with one expenditure for the month of February of \$3,100 paid to Dewberry for wetlands monitoring. General Expenditures for the month showed two expenditures, \$33 for monthly utilities and \$298 for meals. There was no

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activity for the Mega Park; Lot 4 Site Development showed one expenditure to Wetlands Studies and Solutions of \$371 for ongoing work. Rent, Interest and Other Income Realized for the month showed RIFA receiving a total of \$37,752 from the Institute for Advanced Learning and Research for the Hawkins Building, that is two months' rent. RIFA also received \$600 from Securitas for rent and \$334 for interest earned for February. The only expenditure was \$18,875 which is the standard property management fee paid to the Institute for each month.

Mr. Warren **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**7. CLOSED SESSION**

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

At 12:44 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) and (29) (i) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and (ii) for discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

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D. On **Motion** by Mr. Saunders and **second** by Mr. Warren and by unanimous vote at 1:46 p.m., the Authority returned to open meeting.

D. Mr. Warren **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**8. COMMUNICATIONS**

Mr. Barksdale noted RIFA had a good meeting today, thanked everyone who presented and everyone for their time and attendance.

Mr. Vogler thanked everyone for their efforts for Berry Hill and the permitting process.

Mr. Warren thanked Mr. Guanzon, his firm and all the staff; he feels fully prepared and informed before he gets to the meeting and appreciates that very much. Staff does a wonderful job at getting the information to the Board.

The Meeting adjourned at 1:51 p.m.

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Chairman

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Secretary to the Authority

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 5-A
<b>Meeting Date:</b>	04/11/2016
<b>Subject:</b>	Resolution 2016-04-11-5A
<b>From:</b>	Telly Tucker, Director of Economic Development City of Danville

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### **SUMMARY**

The Board is being asked to consider a Resolution approving a Billboard Lease Agreement to Harkins Outdoor Advertising Corporation at the Authority's Cane Creek Centre.

### **ATTACHMENTS**

Resolution 2016-04-11-5A with Lease Agreement.

**Resolution No. 2016-04-11-5A**

**A RESOLUTION APPROVING A BILLBOARD LEASE AGREEMENT TO HARKINS OUTDOOR ADVERTISING CORPORATION, A SOUTH CAROLINA CORPORATION, FOR THE LEASE OF AN EXISTING BILLBOARD LOCATED ON LOT 6 CONTAINING APPROXIMATELY 6.78 ACRES IN THAT PORTION OF THE AUTHORITY'S CANE CREEK CENTRE PROJECT LOCATED IN DANVILLE, VIRGINIA, AT AN INITIAL LEASE RATE OF \$1,500.00 PER YEAR, WITH AN EARLY TERMINATION RIGHT BY THE AUTHORITY IN THE EVENT THE AUTHORITY ACTIVELY DEVELOPS LOT 6**

**WHEREAS**, the Danville-Pittsylvania Regional Industrial Facility Authority (the "**Authority**") is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

**WHEREAS**, Harkins Outdoor Advertising Corporation, a South Carolina corporation, or its affiliate (in either case, "**Harkins**"), and the Authority have discovered that one of Harkins's billboards (the "**Billboard**") is, in fact, located on the Authority's Lot 6, containing approximately 6.78 acres in that portion of the Authority's Cane Creek Centre project located in Danville, Virginia ("**Lot 6**"); and

**WHEREAS**, Harkins wishes to lease a portion of Lot 6 to continue its use of the Billboard; and

**WHEREAS**, the Authority has determined that in the best interests of the Authority and development of the Cane Creek Centre project, to enter into a lease agreement at an initial lease rate of One Thousand Five Hundred Dollars (\$1,500) per year, with an early termination right by the Authority in the event the Authority actively develops Lot 6, as more particularly set forth in that certain Billboard Lease Agreement attached hereto as **Exhibit A**, and incorporated herein by this reference (the "**Billboard Lease Agreement**").

**NOW, THEREFORE, BE IT RESOLVED**, that

1. The Authority hereby approves the Billboard Lease Agreement as set forth in **Exhibit A** and as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other.
2. The Authority hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver the Billboard Lease Agreement and any other all such further documents as may be reasonably required to carry out and consummate the transactions contemplated in the Billboard Lease Agreement.
3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things

**Resolution No. 2016-04-11-5A**

as are contemplated in the Billboard Lease Agreement, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Billboard Lease Agreement and the matters contemplated therein.

5. This Resolution shall take effect immediately upon its adoption.

**CERTIFICATE**

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on April 11, 2016, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

**WITNESS** my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 11th day of April 2016.

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**SUSAN M. DeMASI**, Secretary  
Danville-Pittsylvania Regional Industrial Facility  
Authority

(SEAL)

**Resolution No. 2016-04-11-5A**

**Exhibit A**  
(Billboard Lease Agreement)

**THIS BILLBOARD LEASE AGREEMENT** (this "**Agreement**"), made and entered into as of the 1st day of April 2016, by and between **HARKINS OUTDOOR ADVERTISING CORPORATION**, a South Carolina corporation ("**Harkins**"); and **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("**RIFA**");

**WITNESSETH:**

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

- a. RIFA owns that certain real property located in the City of Danville, Virginia, commonly known as Lot 6 at the Cane Creek Centre Industrial Park ("**Lot 6**").
- b. Harkins operates a billboard advertising company and owns that certain billboard currently located on Lot 6 (the "**Billboard**"). Harkins desires to continue to use and operate the Billboard under the terms and conditions set forth below.

Section 2. - Lease. RIFA hereby leases to Harkins, and Harkins hereby leases from RIFA, that certain portion of Lot 6 underneath the Billboard for the exclusive purpose of operating and maintaining the Billboard. RIFA retains full right to lease and otherwise use the remaining portions of Lot 6 at RIFA's sole and absolute discretion.

Section 3. - Term.

a. The term of this Agreement shall be for a period of one (1) year, commencing on May 1, 2016, and ending at 11:59 P.M. on April 31, 2017 (the "**Initial Term**"), unless sooner terminated as provided herein. At the end of the Initial Term, this Agreement shall automatically renew year to year, unless either party gives written notice to the other party of nonrenewal at least thirty (30) days prior to such renewal or unless otherwise sooner terminated as provided herein. (The Initial Term and all renewals thereof, if any, shall be collectively referred to as the "**Term**".)

b. Early Termination Right. Harkins shall have the right to terminate this Agreement upon giving at least thirty (30) days written notice to RIFA; however, Harkins shall not be entitled to any refund of any rent already paid. In the event RIFA engages in the active site development of Lot 6 requiring the removal of the Billboard or has recruited a business enterprise to own, lease or otherwise occupy Lot 6, RIFA shall have the right to terminate this Agreement upon at least sixty (60) days written notice to Harkins. In the event of such termination by RIFA, RIFA shall refund to Harkins a pro rata portion of the rent paid by Harkins covering the unexpired term (or renewal term, as the case may be).

Section 4. - Rent. Harkins shall pay to RIFA as rent the sum of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) per year, payable in advance. After the second anniversary of the end of the Initial Term, rent shall be equal to Two Thousand and 00/100 Dollars (\$2,000.00) per year, payable in advance.

Section 5. - No Other Billboard. Except for the Billboard (or its replacement thereof), Harkins shall not construct or install any other billboard on Lot 6.

Section 6. - Access to Lot 6. Harkins shall have the right to access to Lot 6 for the purpose of operating and maintaining (including repair and replacement) of the Billboard at all times during the Term.

Section 7. - Maintenance, Repair, Replacement. Harkins, at its sole cost and expense, shall keep and maintain the Billboard and all facilities appurtenant to the Billboard in good order and repair and in as safe, clean and attractive a condition, and shall promptly repair any damage to the Billboard as a result of graffiti, vandalism, storms and weather, or other causes. Within sixty (60) days after the commencement of this Agreement, Harkins shall cause the Billboard to be repainted. If Harkins is in breach of its obligations under this Section on a date that is thirty (30) days after written notice is given by RIFA to Harkins, RIFA shall have the right, at Harkins's cost and expense, to demolish and remove the Billboard.

Section 8. - Compliance with Law; Taxes. At all times during the Term, Harkins, at its sole cost and expense, shall comply with all statutes, ordinances, regulations and requirements of all government entities of competent jurisdiction. Harkins shall be responsible for and shall promptly pay all taxes, federal, state or local, imposed on account of the Billboard.

Section 9. - "AS IS", "WHERE IS", and "WITH ALL FAULTS". Harkins hereby accepts the demised premises in its present condition, "AS IS", "WHERE IS", and "WITH ALL FAULTS".

Section 10. - Ownership of Billboard. The Billboard shall remain the personal property of Harkins, shall not be considered for any purpose whatsoever to be a fixture on Lot 6, and shall be removed by Harkins, leaving no evidence that the Billboard was ever on Lot 6, within one (1) week after termination of this Agreement for whatever reason. The provisions of this Section shall specifically and without limitation survive the termination of this Agreement for whatever reason.

Section 11. - Indemnification and Insurance. Harkins shall indemnify and hold harmless RIFA, its directors, officers, employees, agents and contractors, from any and all claims, liability, loss, damage or expense resulting from Harkins's use of Lot 6 or its activities relating to the Billboard. Throughout the Term, Harkins, at its sole cost and expense, shall maintain (i) a broad form comprehensive coverage policy of public liability insurance and (ii) a fire insurance policy covering loss or liability caused by or connected with Harkins's use of Lot 6 and/or the Billboard, in such amounts as are reasonably acceptable to RIFA. Harkins, at its sole cost and

expense, shall cause RIFA to be named as an additional insured under those policies, and shall annually provide to certificates of insurance to RIFA.

Section 12. - Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

Section 13. - Attorneys' Fees. Each of the parties shall be solely responsible for their respective attorneys' fees in the negotiating, drafting, and execution of this Agreement and any of the transactions contemplated hereby.

Section 14. - Other Documents. The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

Section 15. - Default. In the event that RIFA incurs legal fees and/or costs in pursuing or defending an alleged breach of this Agreement by Harkins, and RIFA is found to be the prevailing party, Harkins, in addition to any other remedy, shall be responsible for the reasonable legal fees and costs incurred by RIFA. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

Section 16. - Entire Agreement. This Agreement contains the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated hereby; and this Agreement supersedes all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 17. - Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 18. - Notices. Any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to Harkins:

Harkins Outdoor Advertising Corporation  
Attn.: Allen Harkins, President

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to RIFA:

Danville-Pittsylvania Regional  
Industrial Facility Authority  
Attn.: Chairman  
427 Patton Street, Room 428  
Danville, VA 24541

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be

deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate.

Section 19. - Governing Law; Interpretation. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

Section 20. - Venue. The parties hereby submit to the exclusive jurisdiction of the state court located in Danville, Virginia, or Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments.

Section 21. - Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

Section 22. - Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest.

Section 23. - Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

Section 24. - Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

Section 25. - Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 26. - Survival. Notwithstanding any termination, cancellation or expiration of this Agreement, provisions which are by their terms intended to survive and continue shall so survive and continue.

Section 27. - Confidentiality of Potential Business Recruits. Harkins agrees to keep in strictest confidence the identity of any prospective business recruits to Lot 6 until a public announcement is made by RIFA, if ever, or as otherwise required by law. The provisions of this Section shall specifically and without limitation survive the termination of this Agreement for whatever reason.

**[SIGNATURES ON FOLLOWING PAGES.]**

**WITNESS** the following signature to this **BILLBOARD LEASE AGREEMENT** as of the date first above written:

**HARKINS OUTDOOR ADVERTISING CORPORATION**, a South Carolina corporation

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WITNESS** the following signature to this **BILLBOARD LEASE AGREEMENT** as of the date first above written:

**DANVILLE- PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Title: \_\_\_\_\_

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item No. 5-B
<b>Meeting Date:</b>	4/11/2016
<b>Subject:</b>	Financial Status Reports – March 31, 2016
<b>From:</b>	Michael L. Adkins, Authority Treasurer

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### **SUMMARY**

A review of the financial status reports through March 31, 2016 will be provided at the meeting. The financial status reports as of March 31, 2016 are attached for the DPRIFA Board's review.

### **RECOMMENDATION**

Staff recommends approving the financial status reports as of March 31, 2016 as presented.

### **ATTACHMENTS**

Financial Status Reports

# Financial Status

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## Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2016
- C. Mega Park – Funding Other than Bond Funds
- D. Berry Hill Mega Park – Lot 4 Site Development
- E. Rent, Interest, and Other Income Realized
- F. Unaudited Financial Statements

**Danville-Pittsylvania Regional Industrial Facility Authority**

\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 <sup>7</sup>

As of March 31, 2016

<b>Funding</b>	<b>Funding</b>	<b>Budget / Contract Amount</b>	<b>Expenditures</b>	<b>Encumbered</b>	<b>Unexpended / Unencumbered</b>
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost <sup>7</sup>	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
<b>Cane Creek Parkway <sup>3</sup></b>		\$3,804,576.00	\$ 3,724,241.16	\$ -	
<b>Swedwood Drive <sup>2</sup></b>		69,414.00	69,414.00	-	
<b>Cane Creek Centre entrance <sup>3</sup></b>		72,335.00	53,878.70	-	
<b>Financial Advisory Services</b>		9,900.00	9,900.00	-	
<b>Dewberry contracts <sup>1</sup></b>		69,582.50	69,582.50	-	
<b>Dewberry contracts not paid by 1.7 grant <sup>4,5</sup></b>		71,881.00	28,554.12	43,326.88	
<b>Land</b>		-	2,792,945.57	-	
<b>Demolition services</b>		71,261.62	71,261.62	-	
<b>Legal fees</b>		-	57,156.80	-	
<b>CCC - Lots 3 &amp; 9 project - RIFA Local Share <sup>6</sup></b>		142,190.00	112,464.98	-	
<b>Other expenditures</b>		-	339,846.72	-	
<b>Total</b>	<b>\$ 7,578,582.12</b>	<b>\$ 4,311,140.12</b>	<b>\$ 7,329,246.17</b>	<b>\$ 43,326.88</b>	<b>\$ 206,009.07</b>

**notes:**

<sup>1</sup> Dewberry Contracts consist of wetland, engineering, surveying and site preparation

<sup>2</sup> Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive

<sup>3</sup> Project completed under budget

<sup>4</sup> In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

<sup>4</sup> These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

<sup>5</sup> The budget amount decreased \$71,279.61 from the September 30, 2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

<sup>6</sup> This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

<sup>7</sup> The \$7.3 million bonds were refunded on August 1, 2013 with the issuance of refunding bonds in the amount of \$5,595,000.

<b>Road Summary-Cane Creek Parkway:</b>	
English Contract-Construction	\$ 5,363,927.00
Change Orders	165,484.50
Expenditures over contract amount	3,579.50
(Less) County's Portion of Contract	(935,207.00)
(Less) Mobilization Allocated to County	(9,718.00)
Portion of English Contract Allocated to RIFA	4,588,066.00
Dewberry Contract-Engineering	683,850.00
<b>Total Road Contract Allocated to RIFA</b>	<b>\$ 5,271,916.00</b>

<b>Funding Summary - Cane Creek Parkway</b>	
VDOT	\$ 1,467,340.00
Bonds	3,804,576.00
	<b>\$ 5,271,916.00</b>

# Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2016

As of March 31, 2016

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<b>Funding</b>					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2015	85,503.42				
<b>Contingency</b>					
Miscellaneous contingency items		\$ 127,003.42	\$ 1,118.07	\$ -	\$ 125,885.35
<b>Total Contingency Budget</b>		127,003.42	1,118.07	-	125,885.35
<b>Legal</b>					
		80,000.00	20,449.00	-	59,551.00
<b>Accounting</b>					
		20,300.00	19,700.00	600.00	-
<b>Annual Bank Fees</b>					
		600.00	550.00	-	50.00
<b>Postage &amp; Shipping</b>					
		100.00	-	-	100.00
<b>Meals</b>					
		4,000.00	2,401.65	-	1,598.35
<b>Utilities</b>					
		500.00	224.75	-	275.25
<b>Insurance</b>					
		3,000.00	-	-	3,000.00
<b>Total</b>	\$ 235,503.42	\$ 235,503.42	\$ 44,443.47	\$ 600.00	<u><u>\$ 190,459.95</u></u>

**Danville-Pittsylvania Regional Industrial Facility Authority**

**Mega Park - Funding Other than Bond Funds**

**As of March 31, 2016**

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
<b>Funding</b>					
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property <sup>1,4</sup>	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion <sup>5</sup>	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 <sup>6</sup>	11,854.39				
<b>Land</b>					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property <sup>2</sup>		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
<b>Other</b>					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis <sup>3</sup>		990,850.00	973,629.29	17,220.71	
Consulting Services - McCallum Sweeney <sup>7</sup>		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project <sup>8</sup>		-	11,203.15	-	
<b>Total</b>	<b>\$ 14,231,524.83</b>	<b>\$ 14,231,524.83</b>	<b>\$ 14,214,304.12</b>	<b>\$ 17,220.71</b>	<b>\$ (0.00)</b>

<sup>1</sup> This figure does not include the interest the City lost from the uninvested funds, which was paid to the City 1/3/2012 and totaled \$144,150.41.

<sup>2</sup> Settlement fees were drawn from bonds issued for the Berry Hill project 12/1/2011.

<sup>3</sup> This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

<sup>4</sup> RIFA paid the City back for all advances on 1/3/2012.

<sup>5</sup> The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

<sup>6</sup> Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

<sup>7</sup> Unencumbered the remaining \$11,203.15 due to termination of contract.

<sup>8</sup> As approved by RIFA Board on 10/16/2014

**Danville-Pittsylvania Regional Industrial Facility Authority**  
**Berry Hill Mega Park - Lot 4 Site Development**  
**As of March 31, 2016**

<b>Funding</b>	<b>Funding</b>	<b>Budget / Contract Amount</b>	<b>Expenditures</b>	<b>Encumbered</b>	<b>Unexpended / Unencumbered</b>
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion <sup>1</sup>	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion <sup>1</sup>	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion <sup>2</sup>	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget <sup>3</sup>	11,203.15				
<b>Expenditures</b>					
Dewberry Engineers Inc.		1,637,985.74	1,045,445.74	592,540.00	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	-	12,000.00	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		141,996.00	65,266.70	76,729.30	
<b>Transfers to "General Expenditures Fiscal Year 2015" Contingency <sup>3</sup></b>					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	-	(12,000.00)	
<b>Total</b>	<b>\$ 7,900,356.15</b>	<b>\$ 1,729,218.39</b>	<b>\$ 1,059,949.09</b>	<b>\$ 669,269.30</b>	<b>\$ 6,171,137.76</b>

<sup>1</sup> \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 2014.

<sup>2</sup> The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

<sup>3</sup> As approved by RIFA Board on 10/16/2014

**Danville-Pittsylvania Regional Industrial Facility Authority**

Rent, Interest, and Other Income Realized

As of March 31, 2016

<u>Source of Funds</u>	<u>Funding Receipts</u>			<u>Expenditures</u> <u>FY2016</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2015</u>	<u>Current</u> <u>Month</u>	<u>Receipts</u> <u>FY2016</u>		
<u>Carryforward</u>	\$ 460,739.60				
<u>Current Lessees</u>					
	<u>Park</u>	<u>Property</u>			
Institute for Advanced Learning and Research (IALR) <sup>1</sup>	Cyberpark	Hawkins Research Bldg. at 230 Slayton Ave.	\$ 18,875.83	\$164,805.03	
Institute for Advanced Learning and Research (IALR)	Cyberpark	IALR Building at 150 Slayton Ave.	-	-	
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	2,700.00	
Guilford Whitetail Management	Berry Hill	Kluttz Farm off State Rd. 863/U.S. 311	-	-	
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.	-	1,200.00	
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland	-	-	
Clodfeiter Hunting Lease	Berry Hill	371.13 acres off State Road 863	-	-	
<u>Total Rent</u>			\$ 19,175.83	\$168,705.03	
<u>Interest Received</u> <sup>2</sup>			\$ 388.76	\$ 1,757.23	
<u>Yorktowne Repayment</u>			\$ -	\$ 76,834.52	
<u>Expenditures</u>					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 145,929.20	
<b>Totals</b>			<b>\$ 460,739.60</b>	<b>\$ 19,564.59</b>	<b>\$247,296.78</b>
				<b>\$ 145,929.20</b>	<b>\$ 562,107.18</b>

**Restricted** <sup>1</sup> \$ 376,266.89  
**Unrestricted** \$ 185,840.29

<sup>1</sup> Please note that rent proceeds must be used in accordance with the U.S. Economic Development Administration's (EDA) Standard Terms and Conditions

<sup>2</sup> Please note that this is only interest received on RIFA's general money market account.

**Danville-Pittsylvania Regional Industrial Facility Authority**  
**Statement of Net Position <sup>1,2</sup>**  
**March 31, 2016\***

	<b>Unaudited FY 2016</b>
<b>Assets</b>	
<i>Current assets</i>	
Cash - checking	\$ 1,034,751
Cash - money market	1,144,709
Prepays	230
<i>Total current assets</i>	2,179,690
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	255,836
Restricted cash - debt service fund CCC bonds	943,218
Restricted cash - debt service fund Berry Hill bonds	220
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,428
Capital assets not being depreciated	25,071,362
Capital assets being depreciated, net	25,369,730
Construction in progress	4,051,228
<i>Total noncurrent assets</i>	57,692,022
<b>Total assets</b>	<b>59,871,712</b>
<b>Liabilities</b>	
<i>Current liabilities</i>	
Unearned income	600
Bonds payable - current portion	808,450
<i>Total current liabilities</i>	809,050
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	7,250,090
<i>Total noncurrent liabilities</i>	7,250,090
<b>Total liabilities</b>	<b>8,059,140</b>
<b>Net Position</b>	
Net investment in capital assets	46,689,616
Restricted - debt reserves	2,943,866
Unrestricted	2,179,090
<b>Total net position</b>	<b>\$ 51,812,572</b>

<sup>1</sup> Please note this balance sheet does not include the Due to/Due from between the County and the City since it nets out and only changes at fiscal year-end.

<sup>2</sup> Please note this balance sheet does not include all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

\*Please note these statements are for the period ended March 31, 2016 as of March 30, 2016, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

*Danville-Pittsylvania Regional Industrial Facility Authority*  
*Statement of Revenues and Expenses and Changes in Fund Net Position*  
*March 31, 2016\**

	<b>Unaudited FY 2016</b>
<b>Operating revenues</b>	
Virginia Tobacco Commission Grants	-
Reimbursement of incentive grants	76,834
Rental income	175,955
<b>Total operating revenues</b>	<b>252,789</b>
<b>Operating expenses <sup>4</sup></b>	
Mega Park expenses <sup>3</sup>	84,025
Cane Creek Centre expenses <sup>3</sup>	5,892
Cyber Park expenses <sup>3</sup>	146,838
Professional fees	37,212
Insurance	2,207
Other operating expenses	2,541
<b>Total operating expenses</b>	<b>278,715</b>
<b>Operating income</b>	<b>(25,926)</b>
<b>Non-operating revenues (expenses)</b>	
Interest income	2,238
Interest expense	(90,374)
<b>Total non-operating expenses, net</b>	<b>(88,136)</b>
<b>Net loss before capital contributions</b>	<b>(114,062)</b>
<b>Capital contributions</b>	
Contribution - City of Danville	684,774
Contribution - Pittsylvania County	684,774
<b>Total capital contributions</b>	<b>1,369,548</b>
<b>Change in net position</b>	<b>1,255,486</b>
<b>Net position at July 1, 2015</b>	<b>50,557,086</b>
<b>Net position at March 31, 2016</b>	<b>\$ 51,812,572</b>

<sup>3</sup> A portion or all of these expenses may be capitalized at fiscal year-end.

<sup>4</sup> Please note that most non-cash items, such as depreciation and amortization, are not included here until year-end entries are made.

*Danville-Pittsylvania Regional Industrial Facility Authority*  
*Statement of Cash Flows*  
*March 31, 2016\**

	<b>Unaudited FY 2016</b>
<b>Operating activities</b>	
Receipts from grant reimbursement requests	\$ -
Receipts from reimbursement of incentive grants	76,834
Receipts from leases	168,704
Payments to suppliers for goods and services	(311,371)
<b>Net cash used by operating activities</b>	<b>(65,833)</b>
<b>Capital and related financing activities</b>	
Capital contributions	1,369,548
Interest paid on bonds	(158,811)
Principal repayments on bonds	(1,130,000)
<b>Net cash provided by capital and related financing activities</b>	<b>80,737</b>
<b>Investing activities</b>	
Interest received	2,238
<b>Net cash provided by investing activities</b>	<b>2,238</b>
<b>Net increase in cash and cash equivalents</b>	17,142
<b>Cash and cash equivalents - beginning of year (including restricted cash)</b>	<b>5,362,020</b>
<b>Cash and cash equivalents - through March 31, 2016 (including restricted cash)</b>	<b>\$ 5,379,162</b>
<b>Reconciliation of operating loss before capital contributions to net cash used by operating activities:</b>	
Operating loss	\$ (25,926)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,207
Change in due from other governments	-
Change in other receivables	-
Change in accounts payable	(34,864)
Change in unearned income	(7,250)
<b>Net cash used by operating activities</b>	<b>\$ (65,833)</b>

<b>Components of cash and cash equivalents at March 31, 2016:</b>	
American National - Checking	\$ 1,034,751
American National - General money market	1,144,709
Wells Fargo - \$7.3M Bonds CCC Debt service fund	943,218
Wells Fargo - \$7.3M Bonds CCC Project fund	255,836
US Bank - \$11.25M Bonds Berry Hill Debt service fund	220
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,428
	<b>\$ 5,379,162</b>